

B. D. PRICE

IBLA 78-10 Decided February 14, 1978

Appeal from decision of the New Mexico State Office, Bureau of Land Management, awarding oil and gas lease, NM 31423.

Reversed.

1. Oil and Gas Leases: Applications: Description—Oil and Gas Leases: Competitive Leases

BLM is without authority to alter an ambiguous competitive oil and gas lease bid in order to make it valid.

2. Oil and Gas Leases: Applications: Description

Where an oil and gas competitive lease bid is ambiguous, due to the inclusion in it of irreconcilable conflicting descriptions of the desired land, BLM should reject it.

APPEARANCES: B. D. Price, Oklahoma City, Oklahoma, pro se.

OPINION BY ADMINISTRATIVE JUDGE STUEBING

This matter appears in the unusual posture of a successful bidder for a competitive oil and gas lease appealing the granting of a lease to himself. On August 8, 1977, B. D. Price (appellant) filed a competitive oil and gas bid for lands in Oklahoma with the New Mexico State Office of the Bureau of Land Management (BLM). This bid was assigned serial number NM 31423. On August 9, 1977, BLM held the lease sale, pursuant to which appellant was named the high bidder for Parcel No. 9. On August 23, 1977, appellant wrote to BLM to inform it that he had bid on Parcel No. 8 rather than on Parcel No. 9. Nevertheless, on August 29, 1977, BLM issued its decision accepting appellant's high bid for Parcel No. 9, requesting payment of required amounts, and forwarding lease forms to appellant for execution.

On September 23, 1977, appellant filed a notice of appeal of this decision, in which he stated that he had bid in error for Parcel No. 9 and requested that the money submitted along with his bid be returned. He argues that there was a plain error in the bid which should have disqualified it. We hold that appellant is correct and that BLM should have rejected his bid, because of ambiguities contained in it.

Appellant's bid form contains the following information: under the heading "Name of Oil and Gas Field," appellant indicated "W. Bridgeport Field;" under the heading "Parcel Number or Land Description," appellant indicated "Parcel #9;" under the heading "Amount of Bid [-] Total," appellant indicated "\$5388.50;" under the heading "Amount of Bid [-] Per Acre," appellant indicated "[]\$25;" and under the heading "Amount of Bid [-] Deposit Submitted with Bid," appellant indicated "\$1078.00." This information creates several irreconcilable ambiguities.

First, although appellant indicated on the bid form that he was bidding on Parcel No. 9, this parcel is in the Oakdale Field, not in the West Bridgeport Field, as appellant indicated elsewhere on the bid form. Moreover, the amount of the bid submitted by appellant, \$5,388.50, and the amount per acre of the bid, \$25, necessarily indicate that appellant was making a bid for 215.54 acres, and Parcel No. 9 is only 40 acres. Finally, on two equal opportunity forms filed along with the bid (Forms 1140-8 and 1140-3), appellant indicated that he was filing for "Parcel #8," and on an Independent Price Determination Certificate (Form 1140-6) also filed along with the bid, appellant indicated that he was applying for "Parcel #8" in one place and for "Parcel #9" in "Blaine Co." in another. Parcel No. 8 is in Blaine County, Parcel No. 9 is in Woods County. The bid was tendered in an envelope marked "Parcel #9 W. Bridgeport Field." As noted, Parcel No. 9 is in the Oakdale Field. It is apparent that appellant intended to bid for Parcel No. 8, but lost track of the parcel number in mid-course as he was preparing the bid form and associated documents.

As it was filed, appellant's bid is hopelessly confused. For example, even at the rate indicated on the bid form, \$25 per acre, the total rental for the 40-acre Parcel No. 9 would be only \$1,000, and the 20-percent deposit submitted with the bid by itself exceeded this total amount.

[1, 2] BLM lacks the authority to alter lease offers or to so construe ambiguities therein as to make them valid. C. Hughes, 33 IBLA 237, 238-239 (1977); Mountain Fuel Supply Co., 13 IBLA 85, 86 (1973); W. H. Burnett, A-28037 (August 20, 1959). Where the inclusion of conflicting descriptions of desired land on an oil

and gas lease offer make the offer ambiguous, BLM should reject the offer. C. C. Hughes, supra at 238. In the instant case, BLM erred by interpreting appellant's bid as a bid for Parcel No. 9 in view of the irreconcilable deficiencies in it. BLM should instead have rejected the bid. It makes no difference whether appellant wants Parcel No. 9 or not; his bid is simply not acceptable in the form submitted. It was error for BLM to attempt to issue the lease for Parcel No. 9 without the properly executed allied forms, supra.

We conclude that appellant's offer must be rejected and his deposit returned to him. Lee E. Loeffler, 33 IBLA 18, 20 (1977); 43 CFR 3120.4-2.

Therefore, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is reversed and the record is remanded for further action consistent with this opinion.

Edward W. Stuebing
Administrative Judge

We concur.

Martin Ritvo
Administrative Judge

Douglas E. Henriques
Administrative Judge

